IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	04 CR 1086
	)	
vs.	)	Chicago, Illinois
	)	September 29, 2006
PETER MATSUKIS,	)	9:30 A.M.
	)	
Defendant.	)	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE CHARLES R. NORGLE, SR.

APPEARANCES:

For the Plaintiff: OFFICE OF THE U.S. ATTORNEY
219 South Dearborn Street
5th Floor
Chicago, Illinois 60604
BY: JULIET S. SORENSEN

For the Defendant: BRADLEY HARRIS LAW
1301 West 22nd Street
Suite 914
Oak Brook, Illinois 60521
BY: BRADLEY HARRIS

Court Reporter: MAELLEN E. PITTMAN
Official Court Reporter
219 South Dearborn Street
Room 2342
Chicago, Illinois 60604
(312) 435-5576

(Proceedings heard in open court:)

THE CLERK: 04 CR 1086, United States versus Peter Matsukis.

Sentencing.

MS. SORENSEN: Good morning, your Honor.

Juliette Sorensen on behalf of the United States.

THE COURT: Good morning.

MR. HARRIS: Good morning, Judge.

Brad Harris on behalf of Peter Matsukis.

THE COURT: Good morning.

Mr. Matsukis, please raise your right hand and be sworn.

(Defendant sworn.)

MR. HARRIS: Judge, may I be heard?

THE COURT: Yes. Go ahead.

MR. HARRIS: I -- as the Court is probably aware, I called the Court yesterday and spoke with the clerk and asked to postpone this for one week. And we're here because, obviously, the Court indicated you wanted us here, and my understanding was you wanted to start and whether we finished or not would be another story.

But the reason I asked for the postponement -- and I have Mr. Matsukis, Mr. Matsukis' family is here -- but I received a response to my sentencing memorandum to the government. It was faxed to me on the 21st, which was

Thursday, last Thursday -- the Thursday before last.

On Friday, after reviewing it, I contacted Miss Sorensen and advised her that there is an Exhibit A that is referred to in there and I didn't have a copy. So she sent it out to me.

I received it on Monday, reviewed it, and had hoped to go over it, along with the government's response, with Mr. Matsukis.

Mr. Matsukis is being held in McHenry County. I saw him there once, but not since I got that response.

THE COURT: I'm not going to require you to deal with that specific issue today, but I do want to start the sentencing hearing. There apparently are witnesses here, one side or the other intends to call, and they may speak briefly in terms of the sentencing.

And so then the matter will be continued to another day, which will allow time for you to deal with that exhibit and related matters.

MR. HARRIS: Thank you.

THE COURT: But in just a few minutes we will proceed with Mr. Matsukis. There were a couple other civil cases I passed, and I don't want to hold up those attorneys.

We will return to Matsukis in about ten minutes.

(Later.)

THE CLERK: 04 CR 1086, United States versus Peter

Matsukis.

MS. SORENSEN: Good morning again, your Honor. Juliette Sorensen on behalf of the United States.

MR. HARRIS: Hello again, Judge. Brad Harris on behalf of Peter Matsukis.

THE COURT: Mr. Matsukis, you can be seated. There is a chair there.

There are several witnesses here. I think the last time the matter was before the Court, witnesses also appeared and the case was continued.

MS. SORENSEN: That's correct.

THE COURT: So to the extent that you want to call witnesses today, then you may call your first witness.

MS. SORENSEN: Thank you, your Honor.

And just so the record is clear, I did want to clarify that the materials referred to by defense counsel as Exhibit A were turned over to defense counsel, if I can, Mr. Harris' predecessor, back in March.

His predecessor did turn over the case file to Mr. Harris and Mr. Harris didn't have them at his fingertips.

If this Court feels it's necessary to continue the sentencing, that's fine. But I did want to make clear that I wasn't hiding the ball in any way with my presentencing filings.

THE COURT: Well, I don't want to change what I said earlier, but I do want to use this valuable time to present the opportunity for those who want to speak to speak.

MS. SORENSEN: Thank you, your Honor.

Pursuant to 18 U.S.C. 3771, Mr. Mario Jurcik, who is Victim A in Count 1 of the indictment, has requested to briefly address the Court.

THE COURT: He may take the witness stand.

(Witness sworn.)

MARIO JURCIK, GOVERNMENT'S WITNESS, SWORN

DIRECT EXAMINATION

BY MS. SORENSEN:

Q. Good morning, sir. Please state your full name.

A. My name is Mario Jurcik, J-u-r-c-i-k.

MS. SORENSEN: And, your Honor, may I ask Mr. Jurcik to proceed without a formal direct examination?

THE COURT: Yes. Yes.

THE WITNESS: Thank you, your Honor.

Three and a half years ago I was a victim of one of Peter Matsukis' scams.

Anger and embarrassment were my initial reaction. Subsequently I found out that there were several victims prior to myself. They all had one common denominator: embarrassment that it happened.

They pursued Matusik with attorneys and civil actions trying to unsuccessfully get their moneys back.

Peter Matusik committed out and out fraud time after time. He had to be stopped.

One of the biggest questions asked of myself is how does this impact me financially, physically and emotionally.

Financially, I face bankruptcy, corporately and personally. Only because I was banking with a small bank, they could have faced the same dilemma as I, they allowed me to work through it.

Also the customer base that I had, fully knowing what had happened, continued to do business with us.

Without the two mentioned, the situation could have been financial ruin.

It goes further than that. We have been paying off all the damages for the last three and a half years. We have close to a year left, but we can't lose sight of the effect that this has had on approximately 40 employees. They lost a lot of their annual increases, benefits, because the money was needed to pay damages.

Stress and owning a business pretty much go hand in hand. How can you put a price tag on all the emotional and physical stress created above and beyond normal due to this situation?

It's impossible.

Our vindication will come by the sentence imposed on Pete Matusik.

We can't lose sight that around 1997 he had a prior conviction. Did he learn his lesson?

This was followed by years of victimizing companies around the world, to include industries in China, the Philippines, Spain, all over the United States, from East Coast to West Coast.

We can't lose sight that while he knew he was being investigated by the FBI, and while he was under advisement, he continued his rampages.

This is just a total and blatant discharge and disrespect for our law enforcement and judicial system.

He has had a major impact in changing the way export business is being done with other countries like China.

China buys a lot of recyclables that originate at all out homes and our recycling bins. Communities, in a lot of situations, receive rebates predicated on market conditions, with the addition of CCSC, which is the China Certificate and Inspection Group Company, Limited, total visual inspections made on cargo in the Chinese harbor.

Also the men the companies hired to do inspections, sometimes full inspections at our domestic locations, obviously, with all the additional expenses incurred on this, this has a trickle-down effect to all the customers, to include everybody who recycles in this country.

I'd like to -- I'd like to take this opportunity to thank everyone involved with this case. I feel good today about our law enforcement and our court system.

Thank you, your Honor.

THE COURT: Mr. Harris, do you have any questions of the witness?

MR. HARRIS: I do not.

THE COURT: You may step down, sir.

THE WITNESS: Thank you, your Honor.

(Witness excused.)

THE COURT: You may call the next witness.

MS. SORENSEN: Your Honor, Mr. Joel Handler is present, and would like briefly address the Court on behalf of Euro Paper and Fiber Corporation.

MR. HARRIS: Judge, we would object to his testimony. He does not represent either -- any of the other companies mentioned in the indictment. He is an attorney for other companies.

THE COURT: The Court may, when conducting a sentencing hearing, hear from people such as Mr. Handler. The case law says that the Court should consider all relevant matters in reaching a sentencing decision.

You will have the same opportunity to present witnesses, if you choose to do so. You have submitted letters along the way.

But this is well within the range of the kinds of things that the Court can take into account when sentencing. It does ultimately become a question of the weight that the Court will give to this kind of information.

But I am assuming that it is reliable information, and that the government has at least exercised some diligence in that regard, or else the government would not be calling these witnesses.

So you may call the next witness, over objection.

MS. SORENSEN: Thank you, your Honor.

THE CLERK: Please raise your right hand.

(Witness sworn.)

JOEL HANDLER, GOVERNMENT'S WITNESS, SWORN

DIRECT EXAMINATION

BY MS. SORENSEN:

Q. Good morning, sir.

Please state your full name.

A. My name is Joel Handler.

Q. And am I correct that you are the attorney representing Euro Paper and Fiber Corporation.

A. That's correct.

Q. On their behalf is there something that you would like to say to the Court?

A. Yes. I'd just like to advise the Court -- although I have been informed in terms of the period in question, Judge -- but I just want to advise the Court of the conduct on the part of Mr. Matsukis which perhaps antedated the indictment in this case, but it's part and parcel of the continuing conduct on this man's part.

It's a situation where I represented Euro Paper BV, which is a company in Rotterdam, as well as Fibercorp, which is a company out of New Jersey.

And it was a situation -- similar situations.

Mr. Matsukis was entered -- there was a judgment in the Euro Paper case entered against him in the amount of $457,000-plus that dealt with a -- in which there was an absolute finding by Judge Hibbler at the time with regard to -- this dealt with waste paper -- and of absolute fraud on the part of Mr. Matsukis, a continuing pattern of fraud in which he almost put Fibercorp out of business.

Fortunately, they survived. And it did put Euro Paper out of business.

As I indicated, that judgment there for Euro Paper was 457,000.

With regard to Fibercorp, there are was a judgment entered against Mr. Matsukis I believe in the area of $750,000 in the Circuit Court of Cook County by Judge Henry.

In each instance, you have situations of where Mr. Matsukis got moneys from my respective clients, never delivered the product that he said he was going to deliver, and kept on promising things, bouncing checks, and just treating it as if -- you know, we just didn't know what he was really doing with the moneys that we were giving him.

So it's a situation that I believe this individual showed no remorse whatsoever in the two instances that I was involved in. He made no conscientious effort to pay. And he tried to just -- once the judgments were entered against him, he just filed for bankruptcy immediately.

And as I say, it was a very touch-and-go situation for Fibercorp. And it was a situation that eventually put Euro Paper out of business.

THE COURT: Mr. Harris, do you have any questions of the witness?

MR. HARRIS: I do not, Judge.

THE COURT: Have you had a sufficient opportunity to speak, Mr. Handler?

THE WITNESS: Yes, Judge. Thank you.

THE COURT: Thank you. You may step down.

THE WITNESS: Thank you for your time.

(Witness excused.)

THE COURT: Please call the next witness, if any.

MS. SORENSEN: Your Honor, the final victim witness was not able to be present today. She did, however, fax me a statement that she wished me to read to the Court on her behalf.

And I do have copies for all the parties.

THE COURT: You may read it into the record.

MS. SORENSEN: Your Honor, I read this on behalf of Pamela A. Barcetto:

"Date: 21st September, 2006.

"To the Honorable Federal Judge Norgle, care of Juliette Sorensen, U.S. Attorney.

"Regarding case number 04 CR 1086, U.S. versus Matsukis.

"Dear Judge Norgle: My name is Pamela A. Barcetto, formerly president of RSVIP, Ltd., a small Illinois recycling brokerage firm.

"My company and myself were driven into personal and corporate bankruptcy in 2003 and 2004 by Peter Matusik via Recycling International, Inc., by his purposeful, deceitful and fraudulent practice of contracting to buy scrap paper products from me and having me ship the goods to his designated scrap user dealers, evidently as payment for moneys he owed them, but about which I knew nothing, then never paying me for the shipped materials.

"In summary, Pete Matusik bought thousands of tons of scrap paper products from my small brokerage company, then had me ship them to companies to satisfy his debt to them; therefore, knowingly never intending to pay me for the goods. In short, he was running a Ponzi scheme.

"He defrauded me for $51,300.24.

"I took him to court and he stood before the Judge and admitted to owing me $45,000. I received a judgment against him for the 45, and he paid $5,000 on the spot. He made one additional payment of $500 the next month.

"Since then he was paid nothing. And to this day he still owes me $44,500. Reference case number 03 L 255, 18th Judicial Court, DuPage County, Illinois.

"The result of Matsukis' criminal behavior was that I could not pay my suppliers of scrap materials. At this time they refused to do business with me.

"Consequently, I was unable to sustain my business, nor make any profits, and therefore could not maintain my home mortgage.

"I suffered greatly from the embarrassment of failure and bankruptcy. Pete Matusik deserves the fullest punishment allowed by law.

"Sincerely, Pamela A. Barcetto."

THE COURT: Thank you.

MS. SORENSEN: Your Honor, that is a summary of the presentation by the victims in this case.

THE COURT: Mr. Harris, if you have any witnesses here today, you may call a witness or two.

MR. HARRIS: Judge, I don't believe I'm going to call any witnesses, but could I have three minutes just to verify that?

THE COURT: Yes.

(Pause.)

MR. HARRIS: Thank you, Judge.

We are not going to be calling any live witnesses.

THE COURT: As I said to you earlier, we would go as far as we could today, and continue the matter to another date. That provides yet another opportunity for you to go over whatever documents you have received from the government, and to confer with your client regarding it.

How much time do you think you need?

MR. HARRIS: Judge, let me ask this: Would it be possible for the Court to have Mr. Matsukis remain at the MCC for one week, so it would certainly facilitate my being able to meet with him?

THE COURT: Well, we could set the matter for Wednesday the 4th, today being the 29th.

MR. HARRIS: Can I get my diary, Judge?

(Pause.)

MR. HARRIS: Judge, I have court all day the 4th and the 5th.

I have a trial.

THE COURT: Then we will make it the 6th.

MR. HARRIS: Yes.

THE COURT: A Friday at 10:30. And I intend to sentence Mr. Matsukis on that date.

MR. HARRIS: Understood.

THE COURT: So I will ask that the marshal take the necessary steps to place him at the MCC so he is immediately available on October 6.

MR. HARRIS: Thank you.

THE COURT: Thank you.

MS. SORENSEN: Thank you, your Honor.

(Proceedings concluded.)

CERTIFICATE

I hereby certify that the foregoing is a true and correct transcript of the proceedings in the above-entitled case.

______________________________ ____________________
Maellen E. Pittman Date
Official Court Reporter